# Agricultural Situation

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Statistical Reporting Service
U.S. Department of Agriculture

## OUR CHANGING TASTE IN FOOD

# SINCE 1900: THE EVOLUTION

## Food Producers Are

Not so many decades ago, the American farmer was producing primarily for a population that was largely farm or rural, with similar tastes and needs. Today, 8 out of 10 of his U.S. customers are city dwellers. The food choices of U.S. workers today—and their families—reflect these changes.

Today's homemaker chooses lighter foods for breakfast, leaner meats for dinner. The effect of these changes, along with many others, has been felt at every stage of the production-consumption system, from farm to home freezer.

### ONCE A SUNDAY SPECIALTY

Similar forces in the economy have aided poultry production, resulting in the massive industry that exists today. Visitors to the United States remark on the frequency and variety of U.S. chicken dinners—broiled, fried, or in soup at the beginning of the meal. Although chicken is also a favorite in most other countries, it is an infrequent element in much of the world's diet, as it used to be in the United States.

Here's an indication of our poultry abundance: In 1967 poultry growers raised some 2.5 billion broilers, bringing total chicken production to nearly 3 billion birds, up from 1.7 billion a decade earlier. Per person consumption of chicken and turkey (in ready-to-cook weights) shows a tripling from 15.7 pounds per person in 1909 to 46 pounds in 1967.

### EATING FEWER EGGS

Eggs, however, have not fared as well. From a peak of 380 to 400 eggs per person in the late 1940's, consumption dropped to 313 eggs in 1966, then rallied to 324 in 1967. This upswing reflected last year's total egg production. It was a record high of 5.8 billion dozen, up 5 percent from the previous year.

Another change in poultry has been increasing production and consumption of turkey. While some birds, such as geese and ducks, have all but disappeared from U.S. dining tables, the traditional turkey has now become an everyday meat. Last year turkey growers raised a record 126 million birds—marketed throughout the year but mainly around Thanksgiving, Christmas, and New Year's. A glance at per capita consumption is startling, even compared to chicken. For example, the ready-to-cook weight of turkey consumed in 1929—first year of records for turkey—totaled 1.4 pounds for each U.S. resident. But by 1967, it had increased sixfold to 8.7 pounds. During the same period, chicken consumption had increased less than threefold per capita—from 14.3 pounds in 1929 to 37.2 pounds in 1967. For both birds, the big breakthrough in production came in the 1940's—a bit earlier in the decade for chicken than for turkey.

# TOWARD A LEANER DIET

## Meeting the Challenge

**PORK'S POPULARITY**

Another change in U.S. food production-consumption has been in pork. Consumption per capita has declined over the years, going from 72 pounds in 1900 to 64 pounds in 1967. Direct consumption of lard has taken an even sharper drop for the same period—from near 13 pounds per person to about 6 pounds.

Other trends also have been at work on consumption patterns. Butter consumption in 1900–67, for instance, fell from 20.1 pounds per person to 5.5 pounds. But the drop, especially in recent years, has been about offset by increasing consumption of margarine. Changes in U.S. demand for meat are certainly not confined to pork and poultry. An indication: Cattle numbers have made important gains in this century, while sheep have declined.

**THE BEEFIER STEAK**

Beef consumption (carcass weight) per person rose from 72.3 pounds in 1900 to 106.3 pounds in 1967—a gain of about 50 percent. Total cattle numbers in 1909 were 60.7 million; on January 1, 1968, they totaled 108.8 million. Although total cattle numbers have been relatively steady since 1965, a decline in milk cows has been offset by a gain in beef cattle. And the beef calf crop promises to increase this year, because of the gain in beef cows—35.3 million head on farms at the start of this year. That's a gain of 2 percent above a year earlier.

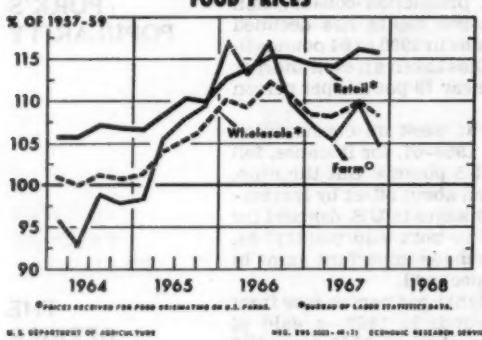
Another significant example of change is in per capita consumption of dairy products. Although total production of fluid milk and cream has remained fairly constant, because of population gains, per capita consumption has declined.

Along with all the ups and downs in per capita consumption of individual foods which the years have brought, there has been a distinct change in the form in which food reaches our dinner table.

At the beginning of this century, more food was used in fresh or relatively unprocessed forms: apples for home canning, smoked bacon by the slab, or uncooked beans for baking. In 1909–14, a total of 1,590 pounds of food a year (equivalent to retail weight) was used by each person. But food technology has since evolved a number of processes which present food to the shopper in ready-to-serve, precooked, or instant form. This evolution plus changes in per capita consumption of many foods has resulted in an overall decline in the grocery store weight of 1 year's food—to 1,420 pounds during 1962–67.

## HOW FOOD PRICES AND SPENDING COMPARE:

### At Retail, Wholesale, Farm Levels




**Food prices last year edged upward less than 1 percent, due entirely to a 5-percent increase in restaurant prices.**

**The wholesale price of food in 1967 actually decreased by almost 2 percent from 1966. Farm products wholesaled 6 percent cheaper, and processed foods for 1 percent less.**

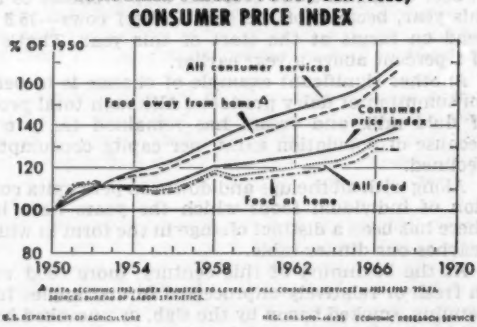
**At the farm level, food commodity prices retreated nearly 7 percent from the 1966 level. Both crops and livestock shared in the decline.**

### Food Prices Versus Other Items

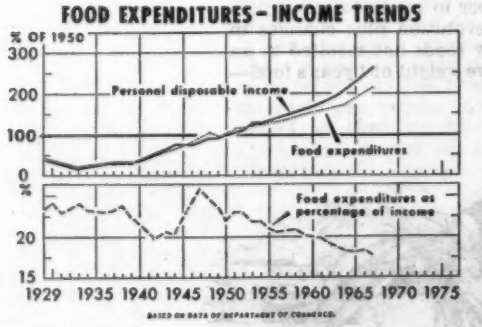
**While food prices rose 1 percent in 1967, the retail price of other consumer items jumped 3.4 percent.**

**Since 1950, the retail price index of food has not increased as much as the average price of all goods and services indicated by the Consumer Price Index.**

**The cost of eating away from home has risen much faster, however, since these prices are tied more closely to the cost of handling and overhead than actual food costs.**



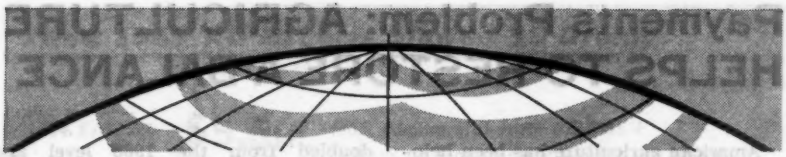

### Food Outlays and Income




**Total food expenditures in 1967 expanded 4 percent. With prices up only slightly, most of the gain was due to a greater volume purchased.**

**But the increase in food spending was less than the gain in income. Disposable personal income (all personal money income after taxes) rose from $509 billion for 1966 to $545 billion last year.**

**So the percentage of disposable income spent for food dropped to a new low of 17.7 percent.**



# SRS TRAINS LEADERS FOR THE NEXT WORLD AGRICULTURAL CENSUS

The United States has a census of agriculture every 5 years. And the world has one every decade.

In 1970, as they did in 1960, 1950, and 1930, countries around the world will make a comprehensive census of farming, farm life, and farm-related industries. Then they will pool their information with the U.N.'s Food and Agriculture Organization (FAO) to create the world census.

The census will differ in several ways from the kind usually conducted in America.

Although the word "census" implies that every subject will be counted, countries will make estimates from sample surveys whenever possible to minimize the cost. The 1970 date is a bit misleading, too, since the census-taking will extend from 1968 to 1973.

With the wealth of information gathered in this country, the United States can answer the census questions without inaugurating new surveys. However, an unusual project is under way to make the world census a reality.

Last September, the Statistical Reporting Service, in cooperation with the Bureau of the Census, the Agency for International Development and the FAO, began the first training course for foreign statisticians who will direct censuses in their own countries. The 1-year program is scheduled to be repeated this year, in 1969, and again in 1970, to train a total of 250 people from 70 countries. After 9 months of classroom study in statistical methods in Washington, D.C., participants attend a 3-month workshop in the art of census-taking. The third month of this segment of the training is spent at a practice census in Yakima, Wash. Regional training centers will follow in the Middle East, Africa, the Far East, and in Latin America.

The 1970 census will be especially valuable because of the number of countries involved. Most of the 116 member-countries of the FAO and other non-FAO members of the U.N. will participate. The last census of comparable size was the 1950 world census covering nearly 100 countries. Although a census was conducted in 1960, it included only 57 countries.

An international census serves many useful purposes but especially as a guide for planning new moves in the war on hunger.

In the cooperative effort to provide enough food for all people, raising production without having realistic data concerning needs and world totals could be disastrous. And without reliable and coordinated statistics which the world census can provide, attempts to anticipate conditions in 1980 and beyond become simply interesting mental gymnastics.

Emerson Brooks
*Statistical Reporting Service*

## CENSUS AIDS FARMERS

The 1970 world agricultural census will have a lasting significance as a tool for international cooperation. But its most immediate effect will be local, as new statistics about agriculture are published for each participating country.

Accurate information will directly affect the work of many people who were the subject of the census-taking by:

- Providing timely information concerning crop conditions and livestock numbers.
- Helping farmers know what to plant and when to sell.
- Enabling agricultural producers to avoid distortions of speculators.
- Helping marketing officials plan for storage and transportation.

# Payments Problem: AGRICULTURE HELPS TO RESTORE A BALANCE

American agriculture has been helping to right the balance of payments. Last year, at a time when commercial exports of other commodities lagged behind the value of imports, and the outflow of dollars accelerated, agricultural trade brought nearly $1 billion into the United States.

## MONEY ON THE MOVE

Farm trade is not the only activity affecting the payments balance.

The balance of payments is an accounting of all money entering or leaving the country for any reason: money paid for imports, foreign spending by U.S. firms, tourists, or the government and investment abroad; money received for our exports, for loan repayments from tourists visiting America, or from foreign investment here. There are thus many reasons why dollars change hands internationally outside of the customary commodity trading channels.

When dollar income exceeds outflow, the balance is deemed favorable. When the reverse is true, as in recent years, the balance is in the favor of foreign holders who can demand gold or build up future claims on our goods.

The balance-of-payments deficit, which had been diminishing gradually for several years, jumped again last year to the highest level since 1960. This turnaround caused widespread concern because it came at a time when other currencies were being devalued.

The deficit last year more than doubled from the 1966 level and amounted to $3.6 billion. But without the net contribution of agricultural trade, including dollar returns on Government program (noncommercial) exports, the deficit would have mounted to $4.6 billion.

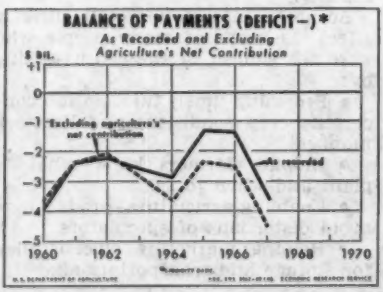
Where did the billion-dollar agricultural contribution come from? To answer that, it's necessary to distinguish agricultural trade from nonagricultural, and commercial exports from those financed by the Government.

## COMMERCIAL TRADE

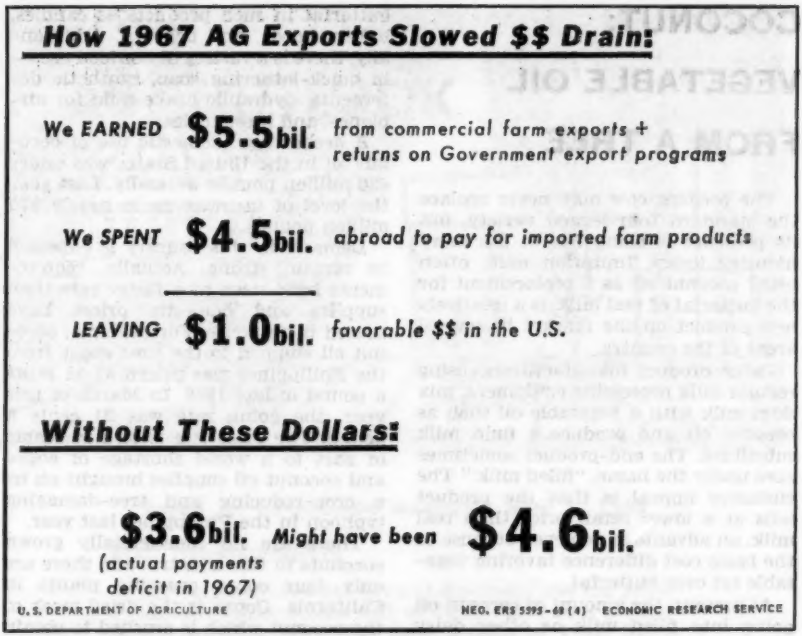
Last year, the value of all exports sold commercially was $26,999 million. This was a slim $19 million more than what we paid for imported goods. So our net commercial trade added $19 million to the plus side of the payments account. But exports of commodities other than farm goods ran behind what we paid for similar type imports. All of the net dollar income from our trade thus came from agriculture.

In 1960, the commercial agricultural trade balance was a deficit. In that year, there was a total of $435 million on the minus side. By 1963 exports and imports were about equal. The balance then became favorable and peaked at $984 million in 1966. In 1967, it was favorable by $660 million.

On the nonagricultural side, imported goods have become increasingly attractive to Americans. In 1960 we paid nearly $11 billion for nonagricultural imports, but by last year, our import bill hit $22.5 billion.




The U.S. balance of payments deficit increased sharply during 1967, but it would have been larger without agriculture's contribution.




Up to 1965, other countries were buying substantially more of our nonagricultural goods than we were buying of theirs. Between 1960 and 1964, for example, the balance of nonagricultural trade was favorable, earning $2 billion or better each year. By 1965, however, the margin slipped to $1 billion. And for the past 2 years the balance between exports and imports was negative. The deficit in 1967 totaled $641 million.

Thus, the $660 million favorable balance of commercial agricultural trade last year was just large enough to offset losses from other trade and leave a surplus of $19 million.

## PUBLIC LAW 480 PROGRAMS PAY

Money earned last year from Public Law 480 dollar credit sales and sales for foreign currencies also contributed favorably to the balance of payments. They affected the balance two ways:

—Countries who bought our food on credit in earlier years agreed to pay us in annual dollar installments. Last year these countries paid $59 million principal and interest on earlier credit sales.

—Exports paid for in local currencies do not help our balance of payments, since we cannot convert the currencies into dollars. However, each year our Government can draw on this reserve when it needs to spend money abroad, avoiding an outlay of dollars. In 1967, Government agencies abroad spent $222 million worth of local currencies, reducing the dollar drain by that amount.

In addition to these sources our Government's Export-Import Bank, which also extends credit to finance farm product exports, received $47 million interest and principal repayments on agricultural commodity loans.

All these items amounted to a total contribution of $328 million in money earned or saved as a result of noncommercial commodity exports.

Added to the $660 million favorable commercial agricultural trade balance, farming's net contribution to the plus side of the payments balance totaled $988 million in 1967.

George Kruer
*Economic Research Service*

# COCONUT: VEGETABLE OIL FROM A TREE

The coconut cow may never replace the standard four-legged variety, but its presence is being felt in the dairy industry today. Imitation milk, often using coconut oil as a replacement for the butterfat of real milk, is a relatively new product on the market in several areas of the country.

Dairy product manufacturers, using regular milk processing equipment, mix skim milk with a vegetable oil such as coconut oil and produce a fluid milk substitute. The end-product sometimes goes under the name, "filled milk." The customer appeal is that the product sells at a lower retail price than real milk, an advantage achieved because of the basic cost difference favoring vegetable fat over butterfat.

At present, the amount of coconut oil going into filled milk or other dairy product is thought to be small. (The fat content of filled milk products is about 3 percent.) Information is sketchy because of the product's somewhat recent arrival on the market. However, U.S. demand for coconut oil—all imported from the Philippines—is on the rise. Total domestic use has trended upward in the past few years, with most of the increased supply being directed toward the food industry.

Coconut oil, though, doesn't just wind up in milk. It's also a substitute for butterfat in such products as candies, bakery goods, and popcorn. Additionally, there is a variety of nonfood uses—in quick-lathering soap, synthetic detergents, hydraulic brake fluid for airplanes, and insecticides.

A decade ago, domestic use of coconut oil in the United States was under 630 million pounds annually. Last year the level of use was up to nearly 870 million pounds.

Demand in this country is expected to remain strong. Actually, requirements have risen at a faster rate than supplies and domestic prices have soared in response. For example, coconut oil shipped to the west coast from the Philippines was priced at 12 cents a pound in late 1966. In March of this year, the going rate was 21 cents a pound. The price rise is also traceable in part to a world shortage of copra and coconut oil supplies brought on by a crop-reducing and tree-damaging typhoon in the Philippines last year.

There are no commercially grown coconuts in this country, and there are only four copra crushing plants in California. Copra is the dried meat of the coconut which is crushed to obtain the oil—which comprises 64 percent of the weight. The remaining copra meal becomes a cattle feed, ironically and mainly for dairy animals.

Coconut oil may appear to be a foreign-grown wonder ingredient, but it's not without strong U.S.-produced competition. Other vegetable oils, notably soybean oil, which carries a lower price tag than coconut oil and certainly has comparable versatility, are also achieving growing popularity. And soybeans are seldom victimized by typhoons.

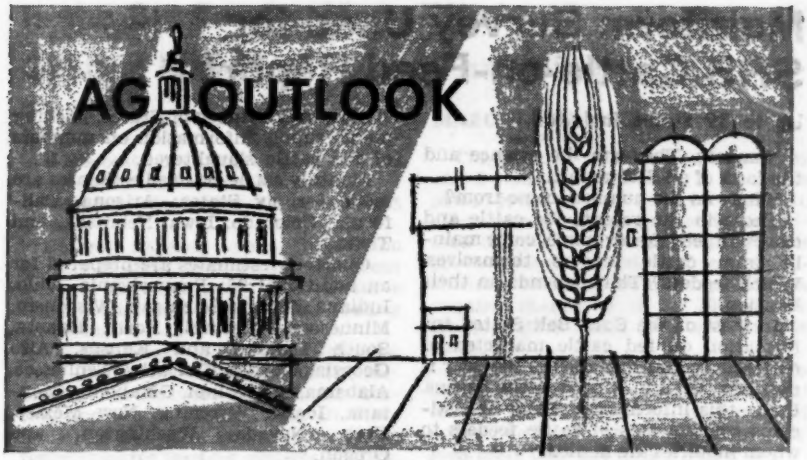
## Flower Sales Are 5 Percent Rosier

A pleasant avalanche from nurseries and greenhouses keeps us supplied with fresh flowers and foliage. By the bloom, bunch, pot or spike, the wholesale value of a portion of this flower bounty reached nearly $200 million last year.

This includes sales of cut carnations, chrysanthemums, gladioli, roses, and potted chrysanthemums valued at $166 million, and foliage plants (indoor plants grown for foliage rather than for flowers) worth $27 million, all grown in 23 major flower-producing States. The wholesale value showed a 5-percent rise from 1966.

California continued as the leading producer of carnation and chrysanthemum blooms, potted chrysanthemums and rose blooms. And Florida kept its lead in the output of pompom chrysanthemum bunches, spikes of gladioli, and foliage plants.

*Statistical Reporting Service*




**Based on Information Available May 1, 1968**

## EGG DEVELOPMENTS

**Egg output is expected to curve downward and egg prices to improve in the second half of 1968. April–June production is trending about like those months of 1967. But a current drop in the number of replacement pullets being added will show its effect after midyear. Production then likely will slow 2 to 4 percent below last year's level. So prices are likely to average only slightly higher than in 1967 through June but show improvement in the second half.**

## MILK PRODUCTION

**For the first 6 months of 1968, milk production likely will be below 1967 levels. But it may rise above year earlier levels this fall or early next year. The current decline has been caused by a less-than-average gain in output per cow, which is not offsetting the declining number of dairy cows.**

**The rate of gain is expected to be closer to average by summer. Even if milk production is seasonally above last year this fall, total output for the year is likely to be below the 119.3 billion pounds produced in 1967.**

## PROCESSED VEGETABLE SUPPLY

**Large supplies of processed vegetables are in prospect for coming months. Carryover stocks of most canned and frozen items are expected to be much larger than a year ago, while intentions reports indicate acreages may again be relatively large. With average yields, this situation would result in a substantial increase in the 1968–69 canned vegetable supply and a moderate gain in frozen stocks.**

# Multiform Survey Used for SRS Cattle-on-Feed Report

### Up to 39 States Included

Numbers. They are the essence and the form of an SRS report.

Where do the numbers come from?

Those in the reports for cattle and calves on feed, for example, come mainly from cattle feeders themselves. Which feeders? That depends on their location.

In most of the Corn Belt States, information on fed cattle marketed or cattle placed on feed during the year is obtained in the annual farm census. Using this information, State statisticians compile lists of cattle feeders to whom inquiries are mailed.

In the Western States and several others, such as Nebraska and Kansas, where many cattle are fed in large feedlots, the sample of cattle feeders is divided into two or more categories based on feedlot capacity.

The first group includes the biggest feedlots. In some States, such as North Dakota, this includes feedlots of over 500 head each; in others, such as Texas, over 1,000. All feeder operations in the "large" grouping are included in each survey. Feeding information is sought via mailed inquiry, telephone call, and personal interview. Estimates for smaller operations are based on answers to mailed questionnaires sent to a sample of the feeders.

Over half the cattle on feed in a State having many large feedlots may have been counted by the feeders themselves for an SRS quarterly estimate of State totals.

Each feeder's reply is checked carefully to see whether the cattle and calves reported are actually on feed. According to the meaning of the term, animals on feed are those receiving a fattening ration which increases both size and quality of the animal. Responses to questions on kind or amount of feed, weight of animals, and length of time on feed help decide the issue.

To verify State and regional totals, sales records of 15 major livestock markets are checked. Beef steers and heifers sold out of first hands for slaughter are tabulated according to State of origin.

Also, in a number of States, packing plants supply information on numbers of fed cattle slaughtered.

Monthly cattle-on-feed estimates are made for six States: Arizona, California, Colorado, Iowa, Nebraska, and Texas.

Quarterly estimates are prepared for an additional 26: Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, North Dakota, South Dakota, and Kansas. Also Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Oklahoma, Montana, Idaho, Wyoming, New Mexico, Utah, Nevada, Washington, and Oregon.

Seven more States are included in the annual January 1 report: New York, Maryland, Virginia, North Carolina, South Carolina, Arkansas, and Louisiana.

## FEEDLOTS ACTIVE, PRICES FIRM

Recent fed cattle marketings nationally have been large and they likely will continue brisk this summer. January–March marketings were 5 percent above a year earlier. However, lighter average market weights and strong consumer demand for beef helped raise prices.

Choice steers at Chicago rose from an average of about $26.70 per 100 pounds in early January to about $27.70 in mid-April. In January–March last year, they were slightly under $25.

Cattle feeders planned to market only 1 percent more cattle this spring than in these months a year earlier, pointing to continuing strong prices.

On April 1, there were about 7 percent more cattle on feed in weight groups that will reach slaughter weights this summer. Thus, summer marketings likely will be larger than a year earlier, but below this spring's level. This indicates steady to strong market quotations for summer.

# Is the Big Feeder More Efficient?

## System May Mean More Than Size

For the cattle feeder, it's true, isn't it, that—

- His cost per pound of gain and his profitability go hand in hand,
- And to do better he has to get bigger.

Before nodding your head too quickly in agreement, consider a recent study which questions both of these apparent truisms of the cattle feeding business.

Feedlot setups in eastern Nebraska were studied by researchers of the Nebraska Agricultural Experiment Station and the Economic Research Service. From the data, they analyzed four representative feeding systems (calves, yearlings, a combination of calf and yearling feeding, and the feeding of 2-year-old animals).

### SYSTEM OVER SIZE

As you might expect, size of feeding operation was found to have an effect on costs, but differences among the feeding systems studied were more important.

Costs per pound of gain varied among the feeding systems, with these results for 1961:

- Calves—slightly above 21 cents per pound of gain.
- Two-year-olds—23-plus cents.
- Yearlings and the combination system—over 24 cents.

Yet, the ranking in profitability of operation differed from this order of cost efficiency.

The feeding of 2-year-olds proved most profitable. Then came calves, then yearlings, and lastly the combination of calves and yearlings.

### SEASONALITY COUNTS

Obviously, over the long haul, the most efficient operations will usually be the most profitable. But during only one or two feeding seasons, the spread between what is paid per pound of animal that entered the feedlot and the price when it left can make or break the operation regardless of its efficiency otherwise.

### MARGIN FOR PROFIT

The rank of profitability, headed by the 2-year-olds, reflected a favorable price spread of over $1.50 for them. In other words, producers sold these animals for more than $1.50 per 100 pounds above what they paid. Calf feeding operations, however, were hampered by a negative margin of $2 per 100 pounds, making them least profitable in the study.

Weight gains come most cheaply to lighter animals, and that's why the calf feeders did best in cost efficiency. Of a feedlot's total costs per pound of gain, feed costs take the major share.

For the Nebraska feedlots in the study, feed costs per pound of gain averaged between 68 and 77 percent of total costs.

Yet, these feed costs tended to remain constant, or even increase, as the size of feedlot operation increased.

### LABOR LESS, FEED MORE

Relationships between size of operation and costs varied considerably. Two things stood out, however. Labor costs decreased as size increased, and feed costs followed the same pattern as total costs within each feeding system.

However, neither feed costs nor total costs jibed closely with size of operation in the calf, yearling, and combination systems. Moreover, where changes in these costs did depend on size—in the feeding of 2-year-olds—the changes were in the same direction. As sizes increased, costs went up.

### SMALL FEEDERS OKAY

The study indicates that Nebraska's farmer-feeders (those feeding less than 500 cattle per year) have been competing effectively on a cost basis with larger operators. Nebraska feedlot trends lend credence to the finding. In 1950–64, for example, while the State's farms decreased 19 percent in number, the number of cattle feeders rose by 6 or 7 percent.

# Poverty Defies Boundaries of Place or Color

At last count, about half of America's poor families lived in rural areas. And four out of five of these poor rural families (those with cash incomes of less than $3,000 a year) were white.

Poor whites are of diverse backgrounds. They live on the farm, in nonfarm open country, and the small town. As a group, they share a lack of economic and social resources enjoyed by the rest of the Nation.

Researchers have explored some of the special economic and community circumstances of rural white Americans living in poverty. Here are four basic poverty situations in which most of these poor live:

*Depressed areas where most residents are poor whites.* Southern Appalachia, the Ozarks, and the Upper Great Lakes Region are examples of this white poverty situation.

Isolated from the mainstream by a lack of roads and other communication facilities, these areas have long been impoverished. What jobs exist are usually with declining industries such as mining. And the depletion of natural resources has left much of the manpower unemployed or underemployed.

Poverty has become a way of life for area families—and there is little chance for youth to break the cycle. School facilities are generally low quality. Youth who search for jobs in distant cities usually find themselves ill equipped in the basic education and in required work skills.

*Depressed areas where most residents are poor nonwhites.* Throughout the East South Central and South Atlantic States are many white poor—who are living in a basically nonwhite poor community.

*Relatively affluent white areas with few poor whites.* The highly productive farming areas of the Midwest and the highly specialized food crop areas of Michigan, Washington, and the central valley of California are outstanding examples of this type of poverty situation.

In these areas, the poor and affluent are geographically mixed—but there is still little social contact between the two groups.

Few poor whites take part in community activities, and though the children have access to better schools than poor whites in depressed areas, few do substantially better in schooling.

The poverty of the migratory farmworkers, who work on the large farms in these areas, is perhaps the most difficult of all types of white poverty to overcome. Their contact with a community is usually fleeting. They lack sufficient medical and health care. And their children attend school irregularly and infrequently.

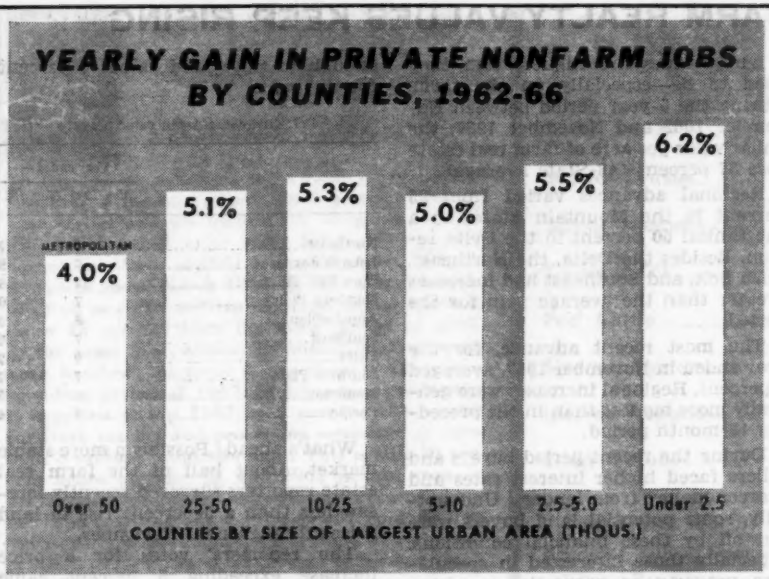
*Areas where the economy is mixed—and the poor are racially balanced.* Hard to pinpoint on a map, examples of this type of white poverty are found in: areas where some farms have modernized and prospered while others have not; areas where the economic base is shifting from agriculture to light industry; and areas surrounding large central cities, or where a suburban fringe extends into a rural farming community.

Representative cases can be found in almost any area of the Nation, particularly in States adjacent to the South as well as in selected areas in the South.

Most whites in poverty in these areas live or work on farms too small and too inefficient to return adequate incomes. Typically there are not enough nonfarm jobs—although jobs in light industry or manufacturing have increased. New technology in agriculture has stranded many whites and nonwhites not having the skills needed for jobs elsewhere.

Nonwhites more often participate in antipoverty and welfare programs in such areas, even though such programs are designed for all groups.

White youth in the prime working ages have been migrating to northern cities in search of jobs. Left behind is an evergrowing proportion of older poor who are out of the labor force or past the best age for job training. For these persons, the rest of their lives may be spent in poverty, unless antipoverty programs are reoriented.




# RURAL COUNTIES OUTPACE URBAN IN RATE OF NONFARM JOB GROWTH

The decline in farm jobs during past decades was paralleled by rapid gains in employment around the traditional industrialized areas like New York and Chicago.

But nowadays, the sharpest rate of growth in nonfarm jobs is elsewhere. In the South, for example, cotton and tobacco fields have yielded to industrialization around such centers as Atlanta, Birmingham, and Houston.

And in Florida, citrus groves and vegetable farms have yielded to such things as missiles and outer space and retirement life.

Except for a few such well-known examples, however, most of our recent rural industrialization has been hard to pinpoint. A new study by the Economic Research Service gives an idea of the growth, by counties, of nonfarm jobs according to size of major city in the county.

The bulk of new nonfarm jobs in 1962–66 occurred in largely metropolitan counties—those having population centers of 50,000 and over. However, sharper gains in job growth rates were recorded in other counties.

For those nonmetropolitan counties, here are some nonfarm job figures for 1962–66:

—Of the counties that had populations of 25–50,000 in their largest centers, more than half gained 2,500 or more new jobs, and 90 percent of them gained over 1,000 jobs.

—In those with 10–25,000 in the largest population center, about 60 percent added 1,000 or more jobs, 80 percent gained a minimum of 500.

—In some counties having population centers of less than 10,000, isolation has been a job-retarding factor. More than half of the 2,100 counties of this magnitude, mostly those cut off from the economic mainstream by geography or distance, gained less than 250 new jobs—too few in many cases to compensate for losses in farm employment.

In contrast, more than 200 counties of this magnitude gained upwards of 1,000 jobs. An additional 300 gained at least 500 jobs.

Claude Haren
*Economic Research Service*

# FARM REALTY VALUES KEEP RISING

Land values are higher than they used to be—especially on the farm. During the 5-year period between November 1962 and November 1967, the dollar value per acre of farm real estate rose 37 percent (48-State average).

Regional advances varied from 25 percent in the Mountain States to a substantial 60 percent in the Delta region. Besides the Delta, the Northeast, Corn Belt, and Southeast had increases greater than the average gain for the period.

The most recent advance, for the year ended in November 1967, averaged 6 percent. Regional increases were generally more modest than in the preceding 12-month period.

During the recent period buyers and sellers faced higher interest rates and scarcer money from lenders. Undoubtedly, some potential land buyers were put off by these financial conditions, especially those interested in speculative property or properties requiring mortgage refinancing.

Even so, the demand for land—mostly for farm enlargement and nonagricultural purposes—was strong enough to raise land values 6 percent for the year.

Percentage increase in value per acre

| | *Year ended—* | |
|---|---|---|
| | *Nov. 1966* | *Nov. 1967* |
| Northeast | 8 | 7 |
| Lake States | 7 | 8 |
| Corn Belt | 12 | 8 |
| Northern Plains | 7 | 6 |
| Appalachian | 8 | 4 |
| Southeast | 7 | 4 |
| Delta | 9 | 7 |
| Southern Plains | 7 | 7 |
| Mountain | 6 | 3 |
| Pacific | 5 | 4 |

What's ahead? Possibly a more stable market. About half of the farm real estate reporters surveyed recently foresaw less than a 5-percent rise in land prices through next November.

The reporters' votes for a price increase exceeding 5 percent came heavily from the Northeast dairy, the general farming and the cotton areas of the country. The most significant sentiment for less of a rise occurred in Corn Belt and tobacco lands.

## Grove Values Slipped

A bumper crop can mean a boon to consumers when prices go down. Unfortunately, it may also spell bust to farmers—and not only from a crop income standpoint.

Consider the plight of Florida citrus growers who wanted to sell their groves last year. Record citrus production last year helped plunge Florida citrus grove prices down more than 20 percent. Florida's contribution to last season's crop was 6.5 million of the U.S. total of 11.5 million tons, over one-fourth above the previous record for the State.

But the sensitive grove-land prices can go the other way, too, and values likely have regained ground with the smaller, more normal crop this season.

**A survey of grove values in Florida was conducted on May 1, 1967. Results portray the effect of the bumper 1966–67 citrus crop on value per acre.**

| | Type of Grove (bearing trees only) | | | |
|---|---|---|---|---|
| | Oranges | | Grapefruit | |
| | Estimated value on—Early and mid-season | Valencias | Seedy | Nonseedy |
| May 1, 1966 | $2,200 | $2,375 | $2,000 | $2,200 |
| May 1, 1967 | 1,700 | 1,850 | 1,475 | 1,850 |

# SAM STAT SAYS "Check My Data"

## A brief roundup

■ The March milk-feed price ratio was 2 percent less than a month earlier, but 8 percent above a year earlier and the highest for March on record. The milkfat-feed price ratio for farm separated cream was down slightly from February, but was 6 percent above March 1967. ■ The first 3 months of 1968 saw 125 million egg-type chicks hatched, down 18 percent from the same period of 1967. At the same time, almost 32 million turkey poults were hatched, 30 percent less than in the corresponding period of 1967. ■ Asparagus production is expected to top 1967 by 5 percent with a total for fresh market and processing estimated at more than 3 million hundredweight. This is still 10 percent below average. ■ The 1967 peanut crop, at 2,473 million pounds, was nearly 3 percent above the 1966 crop and was the largest of record. ■ The 1967–68 U.S. production of oranges is estimated at 124.1 million boxes, 34 percent below last year's record but 4 percent above the 5-year average.

## In This Issue





Editor: Ben Blankenship

## THE FARM POPULATION DECLINE CONTINUES

In the past year, as in most recent years, several hundred thousand more farm people either stopped farming their land or moved off their farms. The farm population dropped an estimated 778,000 from April 1966 to April 1967.

The population on farms in 1967 was 5.5 percent of the national total, or about 1 person in 18.

While the U.S. population has increased by over 18 million since 1960, the farm population has decreased by almost 5 million.

Nonwhites are moving off the farm at a faster rate than whites. From 1960 to 1967, the number of white farm residents dropped by almost 5 percent a year, but nonwhite numbers fell at an average of 10 percent a year.

Children under 14 made up almost 30 percent of the farm population.

**Farm Population**

| | 1966 | 1967 |
|---|---|---|
| | *Millions* | |
| Total | 11.5 | 10.8 |
| White | 10.1 | 9.5 |
| Nonwhite | 1.5 | 1.3 |
| Under 14 years | 3.3 | 3.0 |
| White | 2.7 | 2.5 |
| Nonwhite | .6 | .5 |
| 14 and over | 8.3 | 7.8 |
| White | 7.4 | 7.0 |
| Nonwhite | .9 | .8 |

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